

While I am sure there are concerns with some banks and their commercial real estate loans I do not think all banks should have to suffer under the new proposal.

I will keep this short.

There are many items in the new proposal which I believe all banks should follow. I will only briefly discuss the several I disagree with.

Under Rick Management Principals - Underwriting - I do not believe we should be required to have a feasibility study and sensitivity analysis for all commercial real estate lending. There is an occasion that this may be needed, but to require it for all loans is a waste of time and money.

I also do not know how to stress test a loan or portfolio. There are so many variables (not just interest rates) I do not know how to perform a meaningful stress test.

A market analysis is another item that should not be required. There is a occasion that this may be helpful but it should not be required on every loan.

The biggest area of concern is the level of regulatory capital. I do not agree with the assumption that all banks that make commercial real estate loans are automatically assumed to make risky loans and therefore required to have additional capital. Many times I believe it is much safer to make a commercial business loan than other types of loans. Our record of losses on commercial real estate loans have been excellent. We have had more losses on business inventory, accounts receivable, operating lines of credit, auto, 2nd mortgage loans than we have ever had with commercial real estate loans.

If this proposal becomes law I believe it will effect the economy. There will be many banks and many business that will be effected. This proposal will disrupt, delay and possibly hurt the US economy.

Just because several bank are making risky loans please do not paint all bank the same way.

Thank you for reading my email.

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